



United States Department of Agriculture

Farm and Foreign Agricultural Services  
Risk Management Agency

**INFORMATIONAL MEMORANDUM**

**TO:** All Reinsured Companies February 16, 2001

**FROM:** E. Heyward Baker /s/ for Phyllis W. Honor  
Acting Administrator

**SUBJECT:** Status Update on Agricultural Risk Protection Act (ARPA) Implementation -  
Section 121 - Compliance and Program Integrity

As you know, the Risk Management Agency (RMA) is charged with implementing Section 121 of the Agricultural Risk Protection Act (ARPA). RMA has been working closely with the Farm Service Agency (FSA) on five implementation teams. Each team is implementing a section of the legislation. The two agencies developed a Coordinated Plan for Implementation signed by the Secretary on January 12 as required by ARPA and presented to the crop insurance industry on January 18. The teams focused their work on developing internal communications and procedures for the two agencies to work together at the field level. In recent weeks the ARPA teams have been expanded to include company participants.

To assist in bringing all interested parties up to date on the work of these five teams, the following status update is provided. Information previously requested by the industry is included such as the list of all company participants and the dates, location and purpose of all upcoming meetings.

Please note that a March 1 meeting is planned to bring together all new company participants and team leaders in Kansas City. The exact times and location will be provided to the company participants by the team leaders.

Please feel free to contact the team leaders directly or the Deputy Administrator for Compliance at 202 720-0642 if you have any questions.

Attachment



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The Risk Management Agency Administers and Oversees  
All Programs Authorized Under the Federal Crop Insurance Corporation

An Equal Opportunity Employer

# ARPA Section 121 Implementation Update

## Consultation Team

**Team Objective:** Implement the following legislative requirement:

*CONSULTATION WITH STATE FSA COMMITTEES - The Secretary shall establish procedures under which the Corporation shall consult with the State committee of the Farm Service Agency for a State with respect to policies, plans of insurance, and material related to such policies or plans of insurance (including applicable sales closing dates, assigned yields, and transitional yields) offered in that State under this title.*

### **Team Members:**

RMA Lead - Billy Pryor - Texas (TX) - Compliance  
Steve Vollrath - Kansas City (KC) - Research & Development (R&D)  
David Clauser - KC - R&D  
Bob Smith - California (CA) - Insurance Services (IS)  
Sam Cameron - OK - IS

FSA Lead - Steve Peterson - Washington, D.C. (WDC) - Production, Emergency and Compliance Division (PECD)  
Arkansas State Committee Member  
New Mexico State Executive Director  
CA State Committee Member

Office of Inspector General (OIG): Melinda Wenzl - WDC

Company Participants -  
Kurt Henke - Fireman's Fund  
Jeff Meyer - Rain & Hail  
Mark Vetter - Hartford  
Steve Worthington - Country Companies

### **Status:**

The team developed the consultation procedure January 30 - February 1. Location: Dallas. It is being incorporated into FSA and RMA handbooks developed for this purpose. The handbooks are in draft. No meetings currently scheduled.

## **Training Team**

**Team Objective:** Implement the following legislative requirement:

*USE OF FIELD INFRASTRUCTURE. The plan required by paragraph (1) shall provide for the use of the field infrastructure of the Farm Service Agency. The Secretary shall ensure that relevant FSA personnel are appropriately trained for any responsibilities assigned to the personnel under the plan. At a minimum, the personnel shall receive the same level of training and pass the same basic competency tests as required of loss adjusters of approved insurance providers.*

### **Team Members:**

RMA Lead - Gene Prochaska - Indiana (IN) - Compliance  
Wayne Harrifield - North Carolina (NC) – IS  
Ronnie Griffin - IN - Compliance  
Mike Przybyski - Minnesota (MN) – IS  
Doug Hagel - Montana - IS  
Larry Whitford - Mississippi - IS

FSA Lead - Rebecca Davis - WDC - PECD

FSA Loss adjustment training:  
Frances Williams - WDC - PECD  
Susan Hughes - WDC - PECD  
South Carolina State Office

Anti Fraud Training / Specialized Training  
Jim Baxa - WDC - PECD  
Oklahoma State Office

OIG - Darrel Swanson - WDC  
Beth Marik - WDC

Company Participants -  
Teri Steppell - Rural Community Insurance Services  
Grant Krohn - Farmers Mutual  
Dave Scheffler - Nebraska Farm Bureau  
Barry Olson - National Agriculture Underwriters  
Mike Patton - Farm Bureau of Iowa  
Noel Sylvester - American Farm Bureau

## **Status and Upcoming Meetings:**

February 12-16 - Training Team planning session for Loss Adjustment Classroom Training. Location: Kansas City. Regional or State training sites will be determined at this meeting.

March 1 - The training team subteam for developing terms for a contract for field loss adjustment training is meeting. Location: Kansas City.

February 27-28 - Training Team Compliance and Oversight Training Dry Run Session. This includes procedural training for Referrals and Investigations, Claims Audits, and State Committee Consultation. Location: Kansas City.

March 28-29 - Compliance and Oversight Training Session at Adams Mark Hotel location: Kansas City. Targeted attendees: all FSA State office Points of Contact (POC). Additional training will be conducted within each State for county level employees.

Anti-Fraud Training - Dates to be determined. Targeted attendees: all FSA State office POC's.

## **Claims Audit Team**

**Team Objective:** Implement the following legislative requirement:

*ASSISTING THE CORPORATION AND APPROVED INSURANCE PROVIDERS. FSA will assist in auditing a statistically appropriate number of claims made under any policy or plan of insurance under this title.*

### **Team Members:**

RMA Lead Susan Choy - CA - Compliance  
Larry Wilmes - KC - Compliance  
Theresa Toups - CA - Compliance  
Jim McCracken - CA - Compliance  
Dan Erikson - CA - Compliance

FSA Lead - Rebecca Davis - WDC - PECD  
Missouri State Office  
Susan Hughes - WDC - PECD  
Jan Jamrog - WDC - PECD  
Donna Bachman - KC - Information Technology Services Development Office (ITSDO)  
L.Mclaughlin, Halifax County, NC County Executive Director (CED)  
Charles Simms - WDC - Executive Director for State Operations (EDSO)  
North Dakota State Office

OIG: Melinda Wenzl - WDC  
Darrel Swanson – WDC

Company Participants -  
Mike Johnson - American Agrisurance  
Bob Dantic - Crop Hail  
Tom Withoft - Rain & Hail

**Status and Upcoming Meetings:**

Tentative Meeting: March 7 - Claims Audit Team with new company team participants would like to meet. Location undetermined. Draft Manager’s Bulletin developed outlining the process for the companies to obtain information from FSA offices. It is being incorporated into FSA and RMA handbooks developed for this purpose. The handbooks are in draft.

**Referrals Team**

**Team Objective:** Implement the following legislative requirement:

*AT THE REQUEST of the Corporation or, subject to paragraph (2), on its own initiative if the Farm Service Agency has reason to suspect the existence of program fraud, waste, or abuse, conducting fact finding relative to allegations of program fraud, waste, or abuse;*

*REPORTING TO THE CORPORATION, in writing in a timely manner, the results of any fact finding conducted pursuant to subparagraph (A), any allegation of fraud, waste, or abuse, and any identified program vulnerabilities; and*

*FSA INQUIRY- If, within five calendar days after receiving a report submitted under paragraph (1)(B), the Corporation does not provide a written response that describes the intended actions of the Corporation, the Farm Service Agency may conduct its own inquiry into the alleged program fraud, waste, or abuse on approval from the State director of the Farm Service Agency of the State in which the alleged fraud, waste, or abuse occurred. If as a result of the inquiry, the Farm Service Agency concludes further investigation is warranted, but the Corporation declines to proceed with the investigation, the Farm Service Agency may refer the matter to the Inspector General of the Department of Agriculture.*

**Team Members:**

RMA Lead - Johnnie Perdue - NC – Compliance  
Skip Francis - MN - Compliance  
Celia Jackson - IN - Compliance  
Bob Figulski - NC - Compliance

FSA Lead - Steve Peterson - WDC – PECD  
K. Lindsey, Wilbarger County, TX CED  
Phil Brockman - WDC - EDSO  
Wisconsin SED  
Pennsylvania State Office  
Illinois State Office  
Louisiana SED

OIG - David Colegrove - NC  
Darrel Swanson - WDC

Company Participants -  
Lynn Ford - American Agrisurance  
Tim Weber - Great American  
Alan Yaetts - American Farm Bureau  
Dan Bird - Blakely Crop Hail

### **Status and Upcoming Meetings:**

The team developed the referrals procedure January 23 - 25. Location: Raleigh. It was incorporated into FSA and RMA handbooks developed for this purpose. The handbooks are in draft. No meetings currently scheduled.

### **Data Reconciliation Team**

**Team Objective:** Implement the following legislative requirement

*RECONCILING PRODUCER INFORMATION - The Secretary shall develop and implement a coordinated plan for the Corporation and the Farm Service Agency to reconcile all relevant information received by the Corporation or the Farm Service Agency from a producer who obtains crop insurance coverage under this title. Beginning with the 2001 crop year, the Secretary shall require that the Corporation and the Farm Service Agency reconcile such producer-derived information on at least an annual basis in order to identify and address any discrepancies.*

### **Team Members:**

RMA Lead - Alvin Gilmore - KC - Compliance  
Tim Connard - KC - Compliance  
Barbara Carter - KC - R&D

FSA Lead - Sandy Bryant - WDC - PECD  
Texas State Office  
Clay Lagasse - WDC - PECD  
Rosemary Hall - KC - ITSDO

James Sargent - KC - Information Technology Services Technology Office  
South Dakota State Office

OIG - Charlie Teel - KC  
Richard Bradfield – KC

Company Participants -  
Dave Havland - North Central  
Dave Arnold or Dave Schuler - Fireman's Fund  
Brandon Latham - Producers Lloyd  
Cindi Anderson - IGF

**Status and Upcoming Meetings:** Discrepancies have been identified and data reconciliation efforts for the 2000 FSA Disaster Program began in January. Strategy for 2001 being developed. No meetings currently scheduled.